GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4541
ANSWERED ON:08.05.2007
NATIONAL SECURITY COUNCIL
Mahato Shri Narahari

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the National Security Council has advised the Government to be careful in granting approvals to foreign capital investments for certain areas;

(b) if so, the details thereof;

(c) whether the Council has identified some countries from where foreign capital investments are likely to be invested in the country; and

(d) if so, the details of those countries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) to (d): All aspects of national security are of paramount concern for the Government and suitable action, where required, is taken. Policy on Foreign Direct Investment (FDI) is incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified under the Foreign Exchange Management Act (FEMA), 1999. FEMA indicates the countries from where investment is not permitted. As per Section 5(1) of FEMA Regulations a person resident outside India, other than any entity in Bangladesh or Pakistan, may purchase shares or convertible debentures of an Indian company under FDI Scheme, subject to terms and conditions specified in Schedule I.